

MEMORANDUM

TO: Chairman Richard L. Mathias
Commissioner Terry Harvill
Commissioner Edward Hurley
Commissioner Ruth K. Kretschmer
Commissioner Mary Frances Squires

FROM: Eve Moran and Phillip A. Casey, Hearing
Examiners

DATE: October 3, 2001

SUBJECT: Illinois Bell Telephone Company

Application for review of alternative regulation plan.

Illinois Bell Telephone Company

Petition to rebalance Illinois Bell Telephone Company's
carrier access and network access line rates.

Citizens Utility Board and The People of the State of Illinois
-vs-
Illinois Bell Telephone Company

Verified Complaint for a reduction in Illinois Bell Telephone
Company's rates and other relief.

RE: 98-0252/98-0335/00-0764 Consol. Administrative Law
Judges Post Exceptions Proposed Order.

DISCUSSION

Attached hereto is a copy of the Post-Exceptions Proposed Order (Version I). It is not, as yet, our final recommendation for this cause.

Pursuant to the discussion and the Commission's directions (at the bench session on September 18, 2001) the parties are being permitted to submit a "second" exceptions brief on any issue in the PEPO (Version I) where the new law is being construed and applied. By ruling of the ALJs, such briefs are to be filed, if at all, on October 18, at or before 3 p.m. and, must include proposed language.

Thereafter, the ALJs will provide the Commission with PEPO (Version II) which will have addressed this last round of exceptions arguments and, will thus constitute our final recommendations for this proceeding. At that time, we will also provide the Commission with a full and complete memorandum on the case.

EM/PAC:jt